

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice LP-1876

For: State and County Offices

**Authorizing 2002 Through 2007 Crop Honey Nonrecourse Marketing Assistance Loan and
Loan Deficiency Payments (LDP's) Program Disbursements**

Approved by: Deputy Administrator, Farm Programs



1 Overview

**A
Background**

The Farm Security and Rural Investment Act of 2002 (the Act) provided for the availability of nonrecourse marketing assistance loans and LDP's to producers of 2002 through 2007 crop honey.

Regulations for the 2002 through 2007 crop honey marketing assistance loans and LDP's were published on October 18, 2002.

2-LP Honey will be revised to reflect the new policy and procedures for the 2002 through 2007 crop honey nonrecourse marketing assistance loans and LDP's.

**B
Purpose**

This notice:

- provides County Offices the authority to disburse loan and LDP proceeds
- provides applicable LDP rates
- provides spot-checking and compliance guidelines
- obsoletes Notice LP-1874.

**C
Action**

State and County Offices shall immediately publicize the contents of this notice to the maximum extent possible.

Disposal Date

May 1, 2003
10-24-02

Distribution

State Offices; State Offices relay to County Offices

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2 General Information

A

Final Loan

Availability Date

Marketing assistance loans and LDP's are available to eligible producers of 2002 through 2007 crop honey through March 31, following the applicable crop year.

B

LDP Request

Producers must request LDP's by completing **both** CCC-633 LDP, according to 8-LP, and CCC-633 (Honey). CCC-633 (Honey) will be used to collect relevant information about the producer's operation.

C

LDP Rates for Producers Who Have Lost Beneficial Interest

For 2002 crop honey **only**, producers who have already marketed the 2002 crop honey, although eligible for LDP's based on the date beneficial interest was lost, will not receive LDP's because the LDP rates are zero. The following table shows the applicable LDP rates.

Sale or Redemption Month	Repayment Rate Cents/Pound	LDP Rate Cents/Pound
June 2002	.60	0
July 2002	.60	0
August 2002	.60	0
September 2002	.60	0
October 2002	.60	0

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3 Compliance

A

Spot Checks

2002 through 2007 crop honey nonrecourse marketing assistance loans and LDP's are subject to normal spot-check procedures according to 8-LP.

B

Production Evidence

The following production evidence is required for loan quantity or LDP's selected for spot check:

- loans repaid at a rate less than principal, plus interest, under the marketing loan provisions and only for the quantity repaid on which the producer earned a market gain
 - certified LDP.
-

C

Production Evidence Not Required

Production evidence is only required to be submitted to the County Office for any loan or LDP selected for spot check.

Outstanding loans repaid under CCC-681-1 provisions are not subject to spot check if delivery or production evidence was submitted at the time of repayment.

LDP's are not subject to spot check if production evidence was submitted at time of request for LDP's.

D

Acceptable Types

Acceptable types of production evidence are the following:

- evidence of sales
- delivery evidence
- loan summaries from buyer
- paid measurement service.

Production evidence may be handwritten, but is not acceptable for any type of evidence submitted by the producer for the producer's own production.

Continued on the next page

3 Compliance (Continued)

E

Requirements

All production evidence submitted must show the following information:

- producer's name
- crop year certified or provided by the producer
- net weight
- class
- date of sale, if honey was sold
- proof of payment from buyer, if honey was sold.

Note: Proof of payment can be settlement records or copy of check.

F

Production Evidence for Fed Quantities

Production evidence for fed quantity is either of the following:

- paid measurement service
- self-certification, maximum quantity allowed.

The maximum quantity allowed is based on 4 pounds of honey fed to each colony on a monthly basis.

Example: Producer has 150 colonies that were fed during February, March, and April. Producers will be eligible for a maximum of 1,800 pounds of fed honey.

Use the LDP rate in effect for the month that the honey was extracted.

G

Good Faith Determinations

Good faith determinations are necessary for any quantity that is **not** within tolerance.
